



The Office Of State Treasurer
Denise L. Nappier

News

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SHAREHOLDERS TELL NABORS INDUSTRIES: LET US NOMINATE OUR OWN DIRECTORS

HARTFORD, CT – For the third consecutive year, a shareholder resolution on access to the proxy, which would allow shareholders to nominate directors, has received support from a majority of those voting at the annual meeting of Nabors Industries, held on June 3.

“Electing members of the Board of Directors is one of the most important ownership rights that shareholders have. Yet, in the face of two previous majority votes on this issue, Nabors’ board has defied our efforts. Maybe the third time is the charm. As an investor focused on the bottom line, I expect the company’s leadership to understand the risks it takes by not responding to clear shareholder demands,” State Treasurer Denise L. Nappier said.

The resolution, filed by the New York City and Connecticut pension funds, received 51.8 percent of the votes cast. Nabors Industries declared that it failed, because the company takes the unusual stance that uncast broker votes should be counted as “against” votes. Under the disfavored Nabors formula, the resolution received 48 percent of the vote.

A separate shareholder resolution called for an end to the practice of counting non-votes in determining the outcome of a vote. It was passed by a substantial margin, 57.4 percent.

Access to the proxy allows a shareholder or group of shareholders to nominate a limited number of directors for a corporate board. All shareholders of the company would then have the opportunity to elect directors from a slate that includes nominees not selected by the company itself.

The Connecticut Retirement Plans and Trust Funds has long supported access to the proxy. The Nabors vote on Connecticut’s 2012 resolution was the first time a proxy access resolution passed at a major company.

The shareholder resolution submitted this year by the New York City and Connecticut pension funds would enable a shareholder or group of shareholders owning at least 3 percent of Nabors’ shares for at least three years to nominate up to 25 percent of the board on management’s proxy card.

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In a joint statement, the pension funds said, “Given Nabors’ long history of poor governance practices, the accountability that proxy access could provide is especially critical for Nabors’ shareowners. The board has repeatedly awarded excessive CEO compensation, despite long-term underperformance and has been unresponsive to shareowner concerns.”

The Connecticut Retirement Plans and Trust Funds owns 67,400 Nabors shares valued at \$1,853,500 and fixed income investments of \$566,837 as of June 13.

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